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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to  
Develop a Successor to Existing Net  
Energy Metering Tariffs Pursuant to  
Public Utilities Code Section 2827.1, and  
to Address Other Issues Related to Net  
Energy Metering.

Rulemaking 14-07-002

And Related Matter.

Application 16-07-015

**ASSIGNED COMMISSIONER'S RULING REGARDING ENHANCED  
CONSUMER PROTECTIONS VIA POTENTIAL MODIFICATIONS TO  
CUSTOMER INFORMATION PACKET SIGNATURE REQUIREMENT, AND  
SOLAR PROVIDER REGISTRATION PROCESS FOR INTERCONNECTING  
UNDER NET ENERGY METERING**

**Summary**

This ruling solicits comments on two related proposals for enhanced consumer protections for net energy metering (NEM) solar customers. First, I propose consumer protections to be imposed in the event the Commission is to allow solar providers to obtain electronic signatures on the solar information packet, instead of handwritten on a hard copy, or "wet" signatures. The second proposal lays out an approach for identifying solar providers by requiring solar provider registration, to be potentially enforced by an accompanying citation program. Parties submitting comments to this ruling must file and serve their comments no later than November 4, 2019; parties submitting a response to the *Petition of the Solar Energy Industries Association for Modification of Decision*

(D.) 18-09-044, filed October 3, 2019 (petition), may consolidate their response to this ruling and their response to the petition in one formal document. Parties may file and serve reply comments to this ruling no later than November 14, 2019.

### **1. Potential Modifications to Solar Information Packet Signature Requirement**

In D.18-09-044 the California Public Utilities Commission (Commission or CPUC) adopted a process for developing a solar information packet (information packet), and directed the electric Investor-Owned utilities (IOUs)<sup>1</sup> to modify their net energy metering (NEM) interconnection processes to require that the signed signature pages of the information packet be uploaded as part of the interconnection application process. D.18-09-044 specified that customer signatures must be handwritten, or “wet” signatures, noting that unscrupulous vendors use tablets to mislead customers into signing documents other than those the customers intend to sign.

I am considering modifying this provision of D.18-09-044, with special conditions to preserve the consumer protection intent behind it. Specifically, I am considering how to permit solar providers to have the option to provide electronic signatures. Because I remain concerned about the potential for unscrupulous vendors to mislead and/or defraud customers, I am considering attaching certain conditions to permit solar providers to offer an electronic signature, as specified below:

1. Proof of consumer choice of document signing method:  
The solar provider will submit an attestation, initialed by the customer of record or authorized individual entering

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<sup>1</sup> Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company.

- into a solar contract and an authorized solar provider representative, that attests to the fact that the consumer was provided an option to provide a wet signature on a hard copy of the information packet or an electronic signature on a virtual copy of the information packet. This attestation will be uploaded to the interconnection portal along with the uploaded information packet as a cover sheet, regardless of whether wet signature or electronic signature was selected, and should be conducted in the same format that the consumer selected to sign the remainder of the information packet, either wet or electronic;
2. Proof of existing electronic mail (e-mail) address: if electronic signature is chosen by the consumer, an additional attestation will be required. The solar provider will submit an attestation initialed by the customer of record or authorized individual entering into a solar contract and an authorized solar provider representative that the e-mail address used for the purposes of the electronic signature process was created and is controlled by the customer prior to the sale. If the consumer does not currently have an email address, they must use the hard copy option;
  3. Ensures that identity is verified with a two-step authentication process: In the event that electronic signature will be used to initial and sign the information packet, the solar provider shall use an electronic signature platform that requires a two-step identity verification process in order to further protect the consumer from fraud;
  4. Provides an audit trail that is accessible to the consumer and the CPUC: The executed copy of the information packet shall include an audit trail (*e.g.*, DocuSign's "Certificate of Completion") showing information including when the information packet was opened, when it was signed, and which Internet Protocol (IP) address was used to access the document. The investor-owned utilities (IOUs) shall require this audit trail be included with the

- information packet that is uploaded to the interconnection portal; and
5. Demonstrates compliance with all of these requirements via the interconnection portal and to the consumer: By requiring the additional two attestations and the audit trail or “Certificate of Completion” in the final package that is returned to the consumer for their records and uploaded to the interconnection portal as a complete package, the Commission can determine whether each interconnection application is compliant with these requirements through spot audits.

Parties responding to this ruling should address the following questions:

6. Should the Commission impose conditions for interconnection, as specified above, on solar providers that obtain electronic signatures on the information packet? Why or why not?
7. What implementation and verification measures are necessary to ensure that the proposed electronic signature conditions are effective and feasible?
8. Should the Commission impose alternative conditions or additional conditions? If so, identify such conditions and explain why each condition is necessary. Also provide detail on how these alternative conditions can be implemented and verified to ensure their effectiveness.

### **Consumer Protection Proposal: Registration Process for Solar Providers Applying for NEM Interconnection**

The March 8, 2019 *Assigned Commissioner’s Ruling Regarding Enhanced Consumer Protections for Net Energy Metering Customers* invited comments on a number of enhanced consumer protections that are under consideration. These included the creation of a consumer advocate or centralized clearinghouse, establishing a list of approved or blacklisted solar developers/providers, establishment of administrative penalties, creation of a restitution fund, and measures for registration or regulation similar to those applicable to Core

Transport Agents. Parties in this proceeding provided a number of comments on these ideas, including:

- More information about consumer complaints, and industry representatives/participants would facilitate the resolution of those issues;
- A neutral party such as Commission staff should coordinate on issues, interact with consumers with complaints, help direct cases to other agencies as needed, and help consumers determine whether solar providers or their agents have a valid license or complaints against them;
- Any “blacklist” should be based on contractor licensing status, and the Commission could host that list, potentially offering a public “check license” feature on its website. Criteria for violators should be transparent, and could include contractors who have not resolved past penalties or are repeat offenders; and
- Any Commission system for imposing penalties could focus on misrepresentations, violation of interconnection requirements, and blatant deception; existing civil and criminal penalties do not adequately address the problem.

I have reviewed these comments and, in response, I am proposing the creation of solar provider registration requirements, and considering a possible citation process to enforce the registration process. While these proposals do not fully address all of the consumer protections issues arising in California, they are a start. Additionally, the proposed registration process will help track information on the proposed electronic signature conditions.

As stated in Section 1 above, I remain concerned about unscrupulous vendors misleading customers into entering harmful transactions. For example, my office has become aware of many fraud cases where the consumer does not know the name of the salesperson or the name of the company that they

supposedly have a contract with, nor do they have a copy of the contract, yet they have been interconnected. In some cases, the consumers were told they were signing a tablet to determine if they were eligible for a free government program, only to learn later that the signature was used on a contract that included significant debt that they could not afford. While the information packet is an important consumer education tool, it will not prevent all unscrupulous vendors from using fraudulent sales tactics, even with the current requirement for “wet” signatures. The intent of the registration process is to ensure the collection of the necessary data about systems, solar providers, and agents to allow Commission staff to properly identify parties interacting with solar consumers and submitting applications for NEM interconnection, and to allow Commission staff to effectively respond to complaints and issues raised. It is also necessary to evaluate and direct consumer complaints to providers and partner agencies.

### **1.1. Overall Registration Process and Details**

Commission staff will establish and oversee a registration program to collect and track information about solar providers and solar systems necessary to allow the Commission to protect ratepayers and overall grid reliability. Under this program, solar providers would submit a registration form to Energy Division staff and update its information annually. Staff would assign a unique CPUC registration identification (ID) number to each solar provider who submits a registration form. As part of the interconnection application of every residential solar system that would receive service on a NEM tariff, the electric IOUs would be required to collect a valid CPUC registration ID number from the interconnecting solar provider. (This requirement would not apply for solar applications for multifamily properties, interconnection applications for projects

taking service under the net energy metering aggregation (NEMA) provision of the NEM tariff, or solar thermal applications.) Each solar provider would be required to update their registration annually.

Below, I propose specific aspects of this registration process, including the registration form, specific information to be provided for each interconnection application, implementation details, and a registration fee.

#### **1.1.1. Registration Form**

To register, each interconnecting solar provider (registrant) shall complete and submit to Energy Division staff the registration application form:

- Exact legal name of registrant;
- If registrant is conducting business in California under a fictitious business name, list all the names under which the registrant is doing business as (DBA) in California, and the date and county in which the fictitious business name statement was filed (Attach additional page if necessary). For each DBA, provide a copy of the proof of publication of the fictitious business name, or a copy of the certified fictitious business name statement. (*See Business & Professions Code Sections 17910, 17917, 17926*).
- Current address of registrant;
- Current telephone number of registrant;
- Website address of registrant and a direct email address;
- Type of ownership (Individual; partnership; corporation; limited liability company; government entity; or other);

- If a non-California corporation, limited liability company, or limited partnership, attach a copy of the certificate from the California Secretary of State permitting the entity to transact business in California. (*See Corporations Code Section 2105*);
  - If registrant is a corporation, the state in which the registrant is incorporated and Date of Incorporation.
- List names and titles of corporate officers;
- If a partnership, list all general partners;
- Provision of California licenses and registrations:
  - Registrant's Contractors State License Board (CSLB) license number;
  - CSLB Home Improvement Salesperson<sup>2</sup> Registration number of all of its agents and salespeople/lead generators that were active/used by the registrant in the last year;
  - Registrant's property assessed clean energy (PACE) license number, if registered as a PACE provider; and
  - Names of all of registrant's PACE solicitors, agents, and salespeople/lead generators and their Department of Business Oversight (DBO) issued registration numbers.
- The type of financing models the registrant uses (PACE, purchase (cash or loan), power purchase agreement (PPA), lease);

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<sup>2</sup> Business and Professions Code Section 7152: "'Home improvement salesperson' is a person who is registered under this chapter and engaged in the business of soliciting, selling, negotiating, or executing contracts for home improvements, for the sale, installation or furnishing of home improvement goods or services, or of swimming pools, spas, or hot tubs on behalf of a home improvement contractor licensed under this chapter."



- Attestation to the following:
  - Whether the registrant uses PACE;
  - Whether the registrant uses electronic signature platforms that support the conditions detailed in this ruling (for example, two-step verification, audit trail);
  - That the registrant has provided the names and IDs of all its solicitors, agents, salespeople/lead generators;
  - That all the information provided in the registration form is complete and accurate.

#### **1.1.2. Specific Solar Transaction Record Information to be Provided for Each Interconnection Application**

With each interconnection application, the electric IOUs shall ensure that each registered solar provider also provides the following information about the solar transaction, which comprises what I shall refer to as the Solar Transaction Record (STR):

- The solar provider's valid CPUC Registration ID;
- The names and contact information of any and all agents, salesperson/lead generators who were involved in the development of the specific solar project;
- The CSLB Home Improvement Salesperson Registration numbers of the salesperson and lead generators that were involved in the specific solar project;
- Type of financing used for the project (PACE, cash/loan, PPA, lease); and
- If interconnecting solar project uses PACE, list the PACE Solicitor Agent<sup>3</sup> Registration number provided by DBO.

The purpose of this dual process (an annual registration to obtain a valid Registration ID, and then requiring the STR) is to collect the necessary details

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<sup>3</sup> Financial Code Section 22017(b): "'PACE solicitor agent' means an individual who is employed or retained by, and acts on behalf of, a PACE solicitor to solicit a property owner to enter into an assessment contract."

about solar providers interconnecting in IOU territories without overburdening individual interconnection applications; at the same time, the Commission needs specific details about the agents connected to individual applications. The proposed processes provide a complete record of all participants in the solar transaction, information essential to our ability to act upon complaints and issues as they arise.

### **2.1.3. Registration Process**

The specific registration process I propose is detailed as follows:

- **Reviewing Entity:** Energy Division staff, with support from the Utility Enforcement Branch as needed, will collect registration forms and provide valid CPUC registration ID numbers to registrants. Staff review will be limited to assessing whether the registration fee has been paid and the form has been completed in good faith (for example, making sure that fields have not simply been filled with Xs or left blank), not to the accuracy of the information. Each registration ID will be valid for one year from issuance date;
- **Frequency:** Solar providers must submit registration form annually and pay registration fee annually, based upon the date of initial registration, in order to have a valid registration ID;
- **Review Timeline:** Energy Division staff will have seven business days from the time the registration form is submitted to reject the form or to provide a valid registration ID to the registrant. Staff will submit valid registration numbers to the IOUs weekly, and the IOUs must refresh this information in the interconnection portals within three days of receipt from staff;
- **Registration Rejection:** Energy Division staff is authorized to reject registration, if a summary review shows that fields have been left blank or have been filled with invalid information such as random characters or numbers. Staff will communicate the rejection to the registrant and the

registrant may reapply with a new form at any time thereafter;

- **Implementation Timeline:** Within 180 days of the effective date of a decision requiring the registration process, the IOUs will have to update their interconnection portals to require the CPUC registration ID, and the other details proposed herein; and
- **Changes to company information:** Any changes to solar provider registration information may be captured in the annual update process, and do not need to be submitted if they change within the year. However, registrants may update their information quarterly on a voluntary basis.

#### **2.1.4. Registration fee**

I propose that a registration fee would be collected as part of registration, and would go towards covering certain costs resulting from the interconnection of solar systems, and the costs of oversight and administration of the registration program. I am seeking comment on the appropriate amount of the registration fee, beginning with a nominal amount of \$500 per year as the fee collected with the registration form.

#### **2.2. Potential Citation Program**

I am also considering proposing the creation of a citation program to enforce the registration and STR requirements as conditions for interconnections. I am seeking initial comment on whether this measure is necessary and how it could be implemented, but am not yet proposing it. The citation program would be intended to help ensure consumer protection and provide penalties for violations, and would be enforced when the Commission receives complaints directly from consumers or through other means.

The citation program could be run by Commission staff and enact penalties to registrants who are found to have provided inaccurate information in their registration form or STR. Penalties could include:

- Not allowing that provider to interconnect. This would be enacted by prohibiting the IOUs from accepting interconnection applications from solar providers whose registration ID was obtained by the provision of inaccurate information; and
- Financial penalties. This would be enacted by requiring an increased registration fee from the solar provider whose registration ID was obtained by the provision of inaccurate information.

As an example, under my proposed registration process, solar providers would submit registration forms where they attest that they have provided information on all the registered lead generators they do business with. If a solar complaint is received and staff determines that the customer was provided misleading information by an unlisted or unregistered sales agent, this would mean that the registrant provided inaccurate information in its registration form and should be cited/penalized.

Any eventual proposed citation program would not be intended to cover all violations that may occur. Having a citation program would not preclude the Commission from considering an Order Instituting Investigation, an Order to Show Cause, or other enforcement actions if a pattern of misconduct emerges.

Parties responding to this ruling should address the following questions:

1. Should the Commission implement a registration process, as proposed above, to ensure that information about solar providers and solar projects is collected? Why or why not?
2. Provide specific input on the items that should be included in the registration form. Do the proposed registration questions cover the types of information that should be collected on solar providers and their operations/systems? Should additional information be collected?
3. Provide specific input on the manner in which registration applicants should provide information. For instance,

should registration applicants' selection of Home Improvement Salesperson Registration number(s) be confined to a drop-down list of currently valid numbers, similar to what D.18-09-044 ordered with respect to solar providers' selection of a valid CSLB license number in the interconnection portal? Why or why not?

4. Should the Commission implement the STR requirement? What other information should be included in the STR?
5. Existing registration programs under Commission jurisdiction charge a registration fee, based upon factors such as number of market providers and oversight costs. What factors should we consider in determining the registration fee amount?
6. In addition to covering oversight costs, should registration fees be directed towards other enhanced consumer protection measures such as the creation of a solar consumer restitution fund? How might such a fund be designed and administered?
7. Please provide input on potential citation programs. I have laid out a framework that would center around enforcing the accuracy of the registration process. What other offenses should be subject to citations? Could Commission staff implement a citation program?
  - a. Which violations should be subject to the citation program?
  - b. What should the penalties and/or fines be? and
  - c. How should citations be served?

**IT IS RULED that:**

1. Parties submitting comments in response to this ruling must file and serve their comments no later than November 4, 2019. Parties that file a response to the October 3, 2019 Petition of the Solar Energy Industries Association for

Modification of Decision 18-09-044 may consolidate their response to this ruling with their response to the petition in one formal document.

2. Parties may file and serve reply comments, no later than November 14, 2019.

Dated October 18, 2019, at San Francisco, California.

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MICHAEL MINKUS for  
Martha Guzman Aceves  
Assigned Commissioner